

August Milk Price Up Slightly

Wisconsin farmers received an average price of \$11.90 per hundredweight (cwt.) for their July milk. The estimated August 2006 price is expected to increase 10 cents to \$12.00 per cwt. The current August price is \$2.90 below the August 2005 milk price. The high for the month occurred in August 1999, when the milk price averaged \$16.34 per cwt.

Overall, milk prices are expected to remain fairly steady in August. The U.S. milk price is expected to increase a dime to \$11.90 per cwt, 10 cents under Wisconsin's level. About half of the states expect slight decreases in price, while the rest will have small increases or remain unchanged from July. Producers in two states will be paid under \$11 per cwt. - Idaho at \$10.70 and California at \$10.90 per cwt. Most of the other states' prices range between \$11.40 and \$13.00 per cwt.

August ended with the Chicago Mercantile Exchange prices rising 6 to 7 cents from the previous week. For the week of August 28 - September 1, cheddar 40-pound blocks averaged \$1.3270 per pound, and barrels averaged \$ 1.3185 per pound. The weekly butter price was \$1.3770 per pound. All three prices were at their highest levels since early 2006.

For the week ending August 26, the National Agricultural Statistics Service, U.S. weekly 40-pound block cheese price averaged \$1.1925 per pound, up nearly 4 cents from the end of July. Barrels adjusted to 38 percent moisture averaged \$1.2046 per pound, rising 7.6 cents. The U.S. butter price also climbed and averaged \$1.2406 per pound, up nearly 10 cents from late July.

The Agricultural Marketing Service (AMS) Class III price for August is \$11.06 per cwt, compared to \$13.60 a year ago.

Milk Prices 1/

Selected states	July 2005		July 2006		August 2006	
	Price per cwt.	Fat test	Price per cwt.	Fat test	Price per cwt.	Fat test
	Dollars	Percent	Dollars	Percent	Dollars	Percent
Milk for all uses						
Wisconsin	15.20	3.54	11.90	3.57	12.00	3.59
California	13.78	3.57	10.52	3.56	10.90	3.58
Idaho	13.80	3.50	10.70	3.51	10.70	3.53
Michigan	15.00	3.44	12.20	3.51	12.30	3.53
Minnesota	15.00	3.56	11.70	3.58	11.90	3.60
New Mexico	14.00	3.43	10.90	3.48	11.20	3.43
New York	15.40	3.48	12.30	3.58	12.20	3.60
United States	14.80	3.53	11.80	3.55	11.90	3.57
Wisconsin utilization						
Grade A milk	15.30	3.54	12.00	3.57	XXX	XXX
Grade B milk	13.90	3.58	10.70	3.60	XXX	XXX

1/Preliminary average buying prices received for milk of average test. All milk price published by NASS reflects the gross milk price received by farmers. Source: USDA, NASS, Wisconsin Field Office.